

November 29, 2001

BY E-MAIL

Ms. Gloria Blue
Executive Secretary
Trade Policy Staff Committee
Office of the U.S. Trade
Representative
600 17th Street, NW
Washington, D.C. 20508

USITC Inv. No. TA-201-73

PUBLIC VERSION

**RE: Steel; Request to Exclude Products from Import Relief Under
Section 203**

Dear Ms. Blue:

On behalf of Toyota Motor Manufacturing North America, Inc. ("TMMNA"), attached is the revised public version of TMMNA's request to exclude products from import relief under section 203 in the above-referenced proceeding. This revised document is submitted at the request of Andrew Stephens on November 28, 2001.

Pursuant to 15 C.F.R. § 2003.6, confidential treatment is hereby requested for the business information contained in brackets on Pages 1-5 of, and in Exhibits 1-2 to, the enclosed brief. This bracketed information consists of confidential business information ("CBI") of commercial value for which confidential treatment is requested on behalf of TMMNA. Public disclosure of the bracketed information likely would either: (1) impair the USTR's ability to obtain such information as is necessary to perform its statutory functions; or (2) cause substantial harm to the competitive position of the person, firm, partnership, corporation, or other organization from which the information was obtained.

Thank you for your attention to this matter.

Respectfully submitted,

HOGAN & HARTSON L.L.P.

By: Lewis E. Leibowitz
*Counsel to Toyota Motor
Manufacturing North America, Inc.*

PUBLIC VERSION

OFFICE OF THE U.S. TRADE REPRESENTATIVE
TRADE POLICY STAFF COMMITTEE
WASHINGTON, D.C.

CERTAIN STEEL PRODUCTS

INV. NO. TA-201-73

PUBLIC VERSION

TOYOTA MOTOR MANUFACTURING NORTH AMERICA, INC.
PRODUCT EXCLUSION REQUEST

Lewis E. Leibowitz

HOGAN & HARTSON LLP
Columbia Square
555 Thirteenth Street, N.W.
Washington, D.C. 20004-1109
(202) 637-5600

November 2001

TABLE OF CONTENTS

I. EXECUTIVE SUMMARY	1
II. PRODUCT EXCLUSION REQUESTS.....	1
1. ASE Iron Flash Steel Coils.....	1
2. SPC 120 Steel Coils.....	4
III. CONCLUSION	6

EXHIBITS

- Exhibit 1: Letter from [] to TMMNA []
- Exhibit 2: []

I. EXECUTIVE SUMMARY

Toyota Motor Manufacturing North America, Inc. ("TMMNA") requests imports of ASE Iron Flash and SPC 120 steel coils used in the manufacture of four of its vehicle models be excluded from any remedy arising from this investigation. These products either are not available domestically or will not be available domestically by the middle of next year. [

] Because the imports of these materials by TMMNA are limited and projected to be declining, and because there is or will be no domestic producer of these products, exclusion of ASE Iron Flash steel coils and SPC 120 coils from the remedy will not have a negative impact on the recovery and further development of the U.S. industry which the relief is designed to promote.

II. PRODUCT EXCLUSION REQUESTS

Pursuant to instructions contained in 66 Fed. Reg. 54,322 (Notice) (Oct. 26, 2001), information requested by the USTR is provided below for ASE Iron Flash Steel Coils and SPC 120.

1. ASE Iron Flash Steel Coils

a. The designation of the product under a recognized standard or certification (e.g., ASTM, DIN), or the commercial name for the product and the HTS number under which the product enters the United States.

This product is identified by its commercial name, ASE Iron Flash. The HTS number for this product is 7210.49.0090.

b. Description of the product based on physical characteristics (e.g., chemical composition, metallurgical properties, dimensions, surface quality) so as to distinguish the product from products for which exclusion is not sought.

Two layer-coated corrosion-resistant steel with coating composed of (1) a base coating layer of zinc-based zinc-iron alloy by hot-dip galvanizing process, and (2) a surface coating layer of iron-zinc alloy by electro-galvanizing process, having an effective amount of zinc up to 40% by weight

c. Basis for requesting an exclusion.

ASE Iron Flash is not currently available from U.S. producers in widths larger than 1610 mm and []. TMMNA requires these larger widths for the manufacture of the current []. Accordingly, TMMNA has been importing this material. TMMNA has been

sourcing its ASE Iron Flash coils that are less than 1610 mm in width from both domestic and foreign producers. The only domestic supplier of ASE Iron Flash, however, has informed TMMNA []

[] Once this domestic producer ceases its production of this material, there will be no U.S. producer who would otherwise supply TMMNA with ASE Iron Flash in any dimension.

TMMNA uses this steel [] models. This corrosion-resistant steel is [] and is used for [] ASE Iron Flash coils larger than 1610 mm in width are used in the [] TMMNA is [] Indeed, as **Exhibit 2** illustrates, over the period of review in this investigation, imports of foreign ASE Iron Flash have represented a [] TMMNA and its affiliates' steel purchases. [] TMMNA anticipates a [] need for this material [] as [] In the interim, however, [] TMMNA will [] ASE Iron Flash requirements.

As described above, TMMNA's imports of ASE Iron Flash steel are declining, and are very limited. In 2000, for example, TMMNA [] of ASE Iron Flash steel and purchased [] of ASE Iron Flash steel from [] of this material. Compared to the total volume of imports of Product 6,¹ TMMNA's [] of ASE Iron Flash represents []. As mentioned above, TMMNA does not currently import all of its ASE Iron Flash requirements. It will, however, [] ASE Iron Flash when [] of ASE Iron Flash steel. TMMNA's [] of total imports of Product 6. It is important to note that a restriction on TMMNA's importation of these products would not result in a corresponding [] increase in domestic shipments. Once [] ceases its production of ASE Iron Flash, there will be no U.S. mill producing this product in competition with the imported product. There is no reason, therefore, to include ASE Iron Flash steel in any remedy resulting from this investigation.

d. Names and locations of any producers, in the United States and foreign countries, of the product.

[] As discussed above, []

¹ According to the U.S. Census Bureau, imports of Product 6 in 2000 totaled 2,231,088,494 kilograms. See www.ita.doc.gov/td/industry/otea/Trade-Detail/Latest-December/Imports/index.html, visited Oct. 24, 2001.

Nippon Steel Corp. (NSC), Japan

e. Total U.S. consumption of the product, if any, by quantity and value for each year from 1996 to 2000, and projected annual consumption for each year from 2001 to 2005, with an explanation of the basis for the projection.

Total TMMNA consumption of ASE Iron Flash from 1996-2000 is as follows:

Quantity (in short tons) of TMMNA consumption of ASE Iron Flash:				
1996	1997	1998	1999	2000
[]	[]	[]	[]	[]
Value of TMMNA consumption of ASE Iron Flash				
1996	1997	1998	1999	2000
[]				[]

Projected TMMNA consumption of ASE Iron Flash from 2001-2005 is as follows:

Quantity (in short tons) of TMMNA consumption of ASE Iron Flash:				
2001	2002	2003	2004	2005
[]	[]	[]	[]	[]
Value (\$) of TMMNA consumption of ASE Iron Flash				
2001	2002	2003	2004	2005
[]	[]	[]	[]	[]

These projections are based on build out dates.

f. Total U.S. production of the product for each year from 1996 to 2000, if any.

TMMNA has purchased ASE Iron Flash from a domestic producer in the following quantities:

Quantity (in short tons) of TMMNA consumption of ASE Iron Flash:				
1996	1997	1998	1999	2000
[]	[]	[]	[]	[]

g. The identity of any U.S.-produced substitute for the product, total U.S. production of the substitute for each year from 1996 to 2000, and the names of any U.S. producers of the substitute.

For TMMNA's specific requirements, there are no substitutes for ASE Iron Flash material.

2. SPC 120 Steel Coils

a. The designation of the product under a recognized standard or certification (e.g., ASTM, DIN), or the commercial name for the product and the HTS number under which the product enters the United States.

SPC 120. The HTS number for this product is 7209.16.0060.

b. Description of the product based on physical characteristics (e.g., chemical composition, metallurgical properties, dimensions, surface quality) so as to distinguish the product from products for which exclusion is not sought.

Cold rolled steel coils measuring 1.6 mm in thickness and 1040 mm in width with minimum tensile strength of 120 ("SPC 120").

c. Basis for requesting an exclusion.

No U.S. producer makes the SPC 120 grade of cold-rolled steel. It is TMMNA's understanding that this is due to the high cost of developing this product. The small quantities demanded in the U.S. do not justify engaging in this product line.

TMMNA uses this steel for []. It is a []. In fact, TMMNA purchases less than [] of SPC 120. TMMNA's purchases of SPC 120 represent only [] of total imports of Product Group 4 articles² and approximately [] of total imports of products covered by the same HTS.³

² Total imports of steel products in Product Group 4 are 2,507,279,245 kilograms according to the U.S. Census Bureau. See www.ita.doc.gov/td/industry/otea/Trade-Detail/Latest-December/Imports/index.html, visited Oct. 24, 2001.

³ The Census Bureau reports that the total imports of steel products covered by HTS 7209.16.0060 in 2000 are 50,831,031 kilograms. See www.ita.doc.gov/td/industry/otea/Trade-Detail/Latest-December/Imports/72/720916.html, visited Oct. 24, 2001.

d. Names and locations of any producers, in the United States and foreign countries, of the product.

There are no producers in the United States of this product.

NKK Corp., Japan.

e. Total U.S. consumption of the product, if any, by quantity and value for each year from 1996 to 2000, and projected annual consumption for each year from 2001 to 2005, with an explanation of the basis for the projection.

Total TMMNA consumption of SPC 120 from 1996-2000 is as follows:

Quantity of TMMNA consumption of SPC 120:				
1996	1997	1998	1999	2000
[]	[]	[]	[]	[]
Value of TMMNA consumption of SPC 120:				
1996	1997	1998	1999	2000
[]	[]	[]	[]	[]

Projected TMMNA consumption of the product from 2001-2005 is as follows:

Quantity (in short tons) of TMMNA consumption of SPC 120:				
2001	2002	2003	2004	2005
[]	[]	[]	[]	[]

These projections are based on build out dates.

f. Total U.S. production of the product for each year from 1996 to 2000, if any.

None.

g. The identity of any U.S.-produced substitute for the product, total U.S. production of the substitute for each year from 1996 to 2000, and the names of any U.S. producers of the substitute.

None.

III. CONCLUSION

For the foregoing reasons, TMMNA respectfully requests that the ASE Iron Flash steel coils and SPC 120 steel be excluded from any remedy arising from this section 201 investigation.

Respectfully submitted,

HOGAN & HARTSON L.L.P.

By: Lewis E. Leibowitz
*Counsel to Toyota Motor
Manufacturing North America, Inc.*

PUBLIC VERSION

